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Brazil

Nearly 98 percent of the poultry meat produced in Brazil is broiler meat. Broiler meat production increased 7 percent during the first half of 2000, compared to the same period in 1999. This was due to the higher number of chicks placed in December of 1999 and early 2000. Higher feed costs forced producers to adjust supply in the first half of 2000 as profit margins declined. Broiler meat production is estimated to increase 6 percent in 2000 and 5 percent in 2001.

This year the ten largest poultry processors in Brazil are expected to account for nearly 55 percent of total broiler slaughter, up from 50 percent in 1999. These same companies are also leaders in pork production in Brazil, which allows for economies of scale and greater use of lower-cost feeds based on volume purchases. During the first half of 2000, the estimated average cost of broiler production reached US \$0.22 per pound live weight, up from an estimated cost of US \$0.20 per pound for the same period in 1999. The poultry industry imported a record amount 1.1 million metric tons of corn during Jan-Jun 2000, up 152 percent over the same period in 1999.

According to trade sources, about 53 percent of the estimated broiler meat production in 2000 will consist of broiler parts, and 47 percent of whole broilers. The large broiler processors in Brazil have adopted a strategy to add value to their products and to shift away from a commodity type product. The two top Brazilian poultry producers have developed sophisticated processed food product lines which include not only various poultry meat cuts but also prepared poultry, pork and fish-based dishes.

Domestic demand for broiler meat remains firm and is projected to increase by 8 percent in 2000 as a result of lower relative retail prices compared to beef and pork. Broiler exports continue to set records year after year. During Jan-Jun 2000, exports increased by 17 percent, reflecting the competitive advantage of Brazilian broilers since the devaluation of Brazil's currency in January 1999. The total value of exports reached US \$372 million, nearly 12 percent lower than the same period in 1999 and reflecting the current oversupply of poultry in the international market and the new Brazilian exporters entering the international market. The average export price for broilers during Jan-Jun 2000 dropped by nearly 25 percent to US \$907 per metric ton. Brazilian traders expect the average export price to improve in the second half of 2000. Brazilian poultry processors work on a very short slaughter schedule and hold stocks only to meet export contracts and there are no government-owned chicken meat stocks.

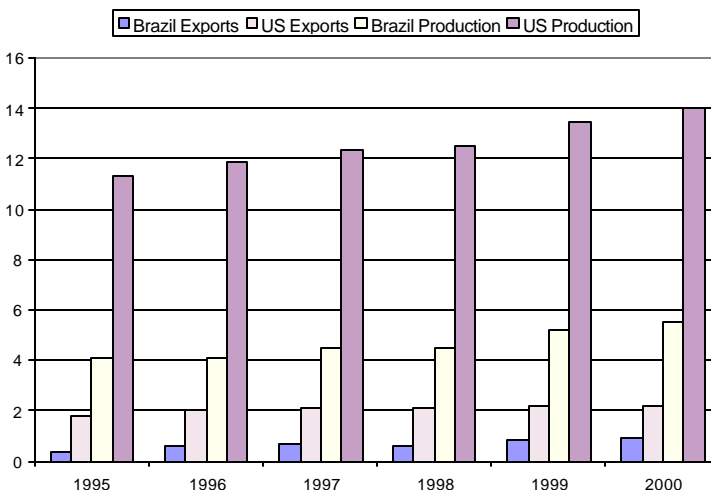
Chicken Meat Exports

Country	Jan-Dec 1999	Jan-Jun 2000
European Union	88,458	56,391
Hong Kong	101,522	60,585
Japan	100,541	58,229
Saudi Arabia	217,165	94,181
Total of all exports	770,552	409,908
(Metric tons)		

Turkey production is estimated to increase by 10 percent in 2000, reflecting higher productivity, firm domestic and export demand, and new investments. Exports are estimated to increase by an average of 30 percent in 2000 because of higher exports to the European Union, mostly Germany. An estimated 70 percent of exports go to the EU, with the balance going to Hong Kong and new markets such as Peru and South Africa.

Production of table eggs in 2000 is expected to increase by 10 percent, reflecting firm domestic demand from lower income groups, because of the relative lower price of eggs versus other sources of animal protein. Also, demand for eggs in the HRI food service remains strong as consumers eat more outside of the home. In addition to a national campaign to increase egg consumption, producers have also diversified their products by offering eggs with lower levels of cholesterol.

Brazil and US Broiler Meat Production and Exports



Volume in million metric tons

Source: USDA/Foreign Agricultural Service

German Egg Trade

During the first quarter of this year, Germany exported more eggs to European Union countries and fewer eggs to third countries. However, imports from non-EU countries increased, according to a report in Agra Europe. Fellow EU countries took 172 million shell eggs which was 47 percent above the year-earlier level. In contrast, exports outside of the Community dropped by 35 percent to around 69 million eggs, as trade with Hong Kong slumped by 71 percent to just 17m eggs. The AI outbreak in Italy resulted in this country purchasing 23.8 million eggs compared with only 2.3 million in the first quarter of 1999. Imports of eggs from other EU countries showed little change at around 1.07 million eggs but there was a dramatic increase from third countries with the US supplying 11 million eggs in February and March compared with nothing in the same period last year.

Source: International Egg Commission

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Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Aug 26, 2000

Year-To-Date

	2000	1999/1	2000	1999
Liquid	329	328	4,674	9,214
Frozen	0	0	126	6
Dried	0	0	340	384
Total	329	328	5,140	9,604

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Aug 26, 2000

Year-To-Date

	2000	1999/1	2000	1999
Liquid	57	244	3,874	3,310
Frozen	45	9	556	251
Dried	0	0	654	166
Total	102	253	5,084	3,727

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Aug 26, 2000

Year-To-Date

	2000	1999/1	2000	1999
Jumbo	0	0	1,247	833
Extra Large	1,250	690	32,604	24,485
Large	4,440	4,272	95,097	87,450
Medium	473	510	23,969	33,852
Ungraded	17,280	27,006	239,644	395,300
Misc	0	750	7,887	5,358
Total	23,443	33,228	400,448	547,278

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

CENTRAL REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 01-SEP-00

CHICKEN PRICES

-----FROZEN----- -----FRESH-----

FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

15-20%				
RANGE	14.00-16.50	16.00-17.50	11.00-14.00	14.00-15.00
WTD AVERAGE	14.70	16.63	12.15	14.09

2,162,400 pounds, this includes 489,600 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

0 pounds, this includes 0 pounds for export shipment.

* INCLUDES THE FOLLOWING STATES: AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

LIVE POULTRY SLTRD UNDER INSPECTION W/E 26-Aug-00 (PRELIMINARY)**U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,823	1,311	3,134
LAST WEEK	1,815	1,526	3,341
SAME WEEK YR AGO	1,812	1,546	3,358
TO-DATE/2000	66,223	48,758	114,981
TO-DATE/1999	72,642	46,745	119,387

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	418	47	465
LAST WEEK	400	32	432
SAME WEEK YR AGO	418	0	418
TO-DATE/2000	16,249	244	16,493
TO-DATE/1999	16,285	199	16,484

SOURCE: AGRICULTURE CANADA, POULTRY DEVELOPMENT DIVISION

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	2,241	1,358	3,599
LAST WEEK	2,215	1,558	3,773
SAME WEEK YR AGO	2,230	1,546	3,776
TO-DATE/2000	82,472	49,002	131,474
TO-DATE/1999	88,927	46,944	135,871

EASTERN REGION PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND FOR DELIVERY WITHIN TWO WEEKS. 01-SEP-00

CHICKEN PRICES

-----FROZEN----- -----FRESH-----

FAT	FOB	DELIVERED	FOB	DELIVERED
CONTENT	DOCK		DOCK	
15% OR LESS				
RANGE	17.00	21.00	18.00	-
WTD AVERAGE	17.00	21.00	18.00	

464,000 pounds, this includes 104,000 pounds for export shipment.

CHICKEN PRICES, WITH ADDED SKIN

15% OR LESS				
RANGE	15.50-17.00	-	18.00	17.00
WTD AVERAGE	16.53		18.00	17.00

1,120,900 pounds, this includes 240,000 pounds for export shipment.

15-20%				
RANGE	13.00-15.50	-	12.50-15.00	14.00
WTD AVERAGE	13.95		14.02	14.00

1,340,000 pounds, this includes 260,000 pounds for export shipment.

20% OR MORE				
RANGE	-	-	-	12.50
WTD AVERAGE				12.50

200,000 pounds, this includes 0 pounds for export shipment.

INCLUDES THE FOLLOWING STATES: CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT

FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS

SEPTEMBER 01, 2000

Trading on fresh tom breast meat was at steady prices. The market tone was fully steady on thigh meat, tom drums and tom full cut wings and some sellers asked for higher trending prices on those items. Necks were slow to clear and weak. Fresh wing meat with skin on moved at 38-40 cents. A load of hearts traded at 15 cents. Export trading was fair on mechanically separated turkey and thigh meat.

FRIDAY, SEPTEMBER 01, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS		R	26.17	600	26.13	808
WINGS FULL-CUT - TOMS		R	23.00	208	22.00	520
WINGS, V-TYPE, TOM						
TAILS		W	19.50	360	19.61	464
MECHANICALLY SEPARATED 2/	16.00-17.00		16.08	392	15.83	512
THIGH MEAT - FROZEN	57.00-60.00		57.59	216	55.73	1,356

THURSDAY, AUGUST 31, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.00-26.50		26.17	600
WINGS FULL-CUT - TOMS	23.00		23.00	208
WINGS, V-TYPE, TOM				
TAILS		W	19.50	360
MECHANICALLY SEPARATED 2/	15.00		15.00	40
THIGH MEAT - FROZEN	54.00-56.00		54.85	488

WEDNESDAY, AUGUST 30, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		T	26.00	208
WINGS FULL-CUT - TOMS	20.00		20.00	104
WINGS, V-TYPE, TOM		W	26.00	104
TAILS	19.50		19.50	360
MECHANICALLY SEPARATED 2/		M	15.00	80
THIGH MEAT - FROZEN		T	54.96	456

TUESDAY, AUGUST 29, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	26.00		26.00	208
WINGS FULL-CUT - TOMS	22.00		22.00	208
WINGS, V-TYPE, TOM		W	26.00	104
TAILS	20.00		20.00	104
MECHANICALLY SEPARATED 2/		M	15.00	80
THIGH MEAT - FROZEN	54.50-55.00		54.96	456

MONDAY, AUGUST 28, 2000**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		F	25.50	104
WINGS FULL-CUT - TOMS		F	19.17	624
WINGS, V-TYPE, TOM		W	26.00	104
TAILS				
MECHANICALLY SEPARATED 2/	15.00		15.00	80
THIGH MEAT - FROZEN	57.00-58.50		57.66	196

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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